

There is so much for all of us to do today. Yes, this is a struggle. But as the great Frederick Douglass said, "If there is no struggle, there is no progress." We can all be part of the 21st-century abolitionist movement. And like our forbearers, we will be victorious!

God bless all of you for your friendship and support in this struggle. Thank you.

IN HONOR OF MAJOR DAVID L.
BAYLOR

HON. MICHAEL N. CASTLE

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 9, 2004

Mr. CASTLE. Mr. Speaker, I rise today to pay tribute to Major David L. Baylor, upon his retirement from the Delaware State Police after 22 years of public service. His dedication to safety and to the security of all Delawareans is to be commended.

A native of Wilmington, Delaware, Major Baylor graduated from St. Mark's High School in 1978 and went into the United States Navy, before graduating from the Delaware State Police Training Academy in 1982. In later years, he earned his Bachelor's degree in Criminal Justice from Wilmington College and his Master's degree in Business Administration/Technology Management from the University of Phoenix. He is also a graduate of the FBI National Academy and the Pennsylvania State University Police Executive Management Course.

During his distinguished career, Major Baylor held several positions within the police force, and was a member of the Executive Protection Unit, where he helped to protect me when I was Governor. In fact, it was during this time that I realized just how popular Major Baylor is in the local community. Whenever we were in the car together, it was not uncommon for people to wave and honk their horns. For a while I thought they were greeting me, but eventually Major Baylor assured me that, in fact, he knew them and they were actually acknowledging him.

In addition to his impressive service in the Delaware State Police, Major Baylor has spent countless volunteer hours as a member on the Board of Directors of several organizations in Delaware. Such groups as the Bear/Glasgow Boys and Girls Club and the Delaware Mentor Program have benefitted greatly from his efforts.

Mr. Speaker, as one who has worked closely with Major David Baylor, I am confident that he has served our State well over his distinguished career. He is a fine representative of the First State and I look forward to hearing more about his future accomplishments.

TEXTILES AND APPAREL CHINA
SAFEGUARD ACT H.R. 5026

HON. SANDER M. LEVIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 9, 2004

Mr. LEVIN. Mr. Speaker, yesterday, several colleagues and I introduced legislation that would create a comprehensive plan to address the impending crisis in the U.S. textiles and apparel industry. An explanation of this bill for the RECORD follows.

SUMMARY

H.R. 5026, the Textiles and Apparel China Safeguard Act, creates a comprehensive program to respond to the WTO-mandated expiration of textiles and apparel quotas at the end of 2004. Foreseeing within the expanded trade resulting from China's WTO accession the potential negative impact on the U.S. and world markets from quota expiration, the Clinton Administration negotiated the right for the United States to use a special safeguard against imports of textiles and apparel products from China. Despite 345,000 U.S. jobs lost in the textiles and apparel industry since 2001, and estimates of hundreds of thousands more after quotas expire, the Bush Administration has failed to actively implement the special safeguard or to create a comprehensive approach to the issue.

The Textiles and Apparel China Safeguard Act is critical for the U.S. textiles and apparel industry and the 700,000 U.S. jobs it supports. The Act ensures active enforcement of the special safeguard against imports from China and creates a comprehensive approach to the impending crisis. The Act has three key elements. Specifically, it would:

(1) direct the President to make two changes to the overly restrictive rules issued by the Bush Administration to implement the China safeguard so that the safeguard will be meaningful for the U.S. textiles and apparel industry;

(2) direct the President to use the special China safeguard to negotiate a comprehensive agreement by immediately entering into formal consultations with China over textiles and apparel imports that threaten to disrupt the American market; and

(3) enforce aggressively U.S. rights under the special China safeguard by imposing restraints on imports if China does not agree on a mutually acceptable solution.

BACKGROUND AND EXPLANATION

On January 1, 2005, quotas on textiles and apparel products are scheduled to expire for WTO Members. Textiles and apparel industry analysts predict that China will dominate global textiles and apparel production when that happens. In the United States, some analysts expect China to capture over two-thirds of the U.S. market and, according to the World Bank, capture as much as 50 percent of total global production—a dramatic increase from its current 17 percent share.

China's dominance in the U.S. market will have serious direct adverse consequences domestically. It will also be devastating for many poorer developing countries that will lose their U.S. market share to China, including U.S. preference partners in Central America and sub-Saharan Africa. The impact on these countries will be another blow to the U.S. industry because many of the U.S. preference partners are heavily integrated with the U.S. industry, including use of significant amounts of U.S. textiles in the apparel they export.

The textiles and apparel industry is among the largest U.S. manufacturing industry (in terms of employment, with a total of around 700,000 workers), yet to date the Bush Administration has failed to take any significant steps to address this major trade event.

As part of China's WTO accession package, the Clinton Administration created a special safeguard applicable to imports of textiles and apparel products from China. This special China safeguard gives the United States the right (1) to enter into consultations with China to create a more stable market, (2) to negotiate restraints on textiles and apparel imports with China, and (3) to impose restraints on an annual basis if China does not agree and the imports are causing or threatening market disruption.

CHANGING OVERLY RESTRICTIVE REGULATIONS

The Bush Administration issued regulations in May 2003 implementing the special safeguard. Those rules, however, are overly restrictive, severely constraining the safeguard and making it effectively unavailable for large segments of the U.S. industry and its workers. First, the regulations do not clearly provide the right to bring a "threat" case. In other words, the U.S. industry and its workers will have to wait until after imports from China have already caused injury—often irreparable injury—before they can bring a successful case. Second, the regulations are written in a way that significantly constrains the U.S. right to respond to market disruption from China. In many cases, Chinese imports cause market disruption not by competing directly with U.S. production, but because they supplant production that would have used inputs made by U.S. industry. In both cases, the injury to the U.S. industry and its workers is the same—lost orders and lost jobs—yet the current regulations do not provide clearly a right to use the safeguard to prevent the second kind of market disruption.

The Textiles and Apparel China Safeguard Act directs the President to rescind the restrictive interpretation of the textiles and apparel safeguard implementing regulations and replace them with regulations that:

(A) make clear that the U.S. industry and workers will not have to wait until after Chinese textiles and apparel imports have caused injury, but may use a threat case to preempt injury; and

(B) make clear that a safeguard may be imposed for market disruption that harms the U.S. industry and workers when Chinese imports displace production that uses inputs made by the U.S. industry.

In this way, the Textiles and Apparel China Safeguard Act will allow the United States to take full advantage of its rights under the special China textiles safeguard and make this safeguard a more useful tool for the U.S. industry and its 700,000 workers.

CREATING A COMPREHENSIVE APPROACH FOR IMPORT-SENSITIVE PRODUCTS

Given the significant adverse impact expected on the U.S. textiles and apparel industry and its workers from immediate and wholesale elimination of textiles and apparel quotas—some estimates predict hundreds of thousands of U.S. jobs will be lost if nothing is done—a more comprehensive approach is needed. The Textiles and Apparel China Safeguard Act provides this comprehensive approach.

The Act directs the President, in effect, to negotiate a comprehensive bilateral textiles and apparel agreement with China, as allowed under the terms of China's WTO accession agreement. The special China safeguard allows China and any WTO Member to negotiate bilaterally ways to address market disruption caused by Chinese textiles and apparel. Significantly, the accession agreement does not place any limitations on the content of such settlements. The open-ended nature of the settlement provision in the safeguard provides the basis of negotiating a comprehensive textiles and apparel agreement with China. The Textiles and Apparel China Safeguard Act directs the President to negotiate such a comprehensive agreement on all products still subject to quotas.

If China is not willing to come to terms on a comprehensive agreement, the Act directs the President to invoke the import restraints provided for under the safeguard across the board for all products eligible for the safeguard, as the United States has the right to do under the terms of China's WTO accession agreement.